

Centers for Medicaid and State Operations, CMSO

Susan Dreyfus, Secretary
Department of Social and Health Services
Post Office Box 45010
Olympia, Washington 98504-5010

SEP 11 2009


Dear Secretary Dreyfus:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 09-021. This amendment proposes to update the State plan by removing Graduate Medical Education payments that were being made to the University of Washington Medical Center and to Harborview Medical Center.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 09-021 is approved effective July 1, 2009. We are enclosing the HCFA-179 and the amended pages.

If you have any questions, please call Joe Fico of the National Institutional Reimbursement Team at (206) 615-2380.

Sincerely,


s Cindy Mann

Director
Center for Medicaid and State Operations

Enclosures

cc: Doug Porter, Assistant Secretary, DSHS, HRSA

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
09-021

2. STATE
Washington

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2009

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

a. FFY 2009 \$0

b. FFY 2010 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Part 1, page 73 (P+I)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-A, Part 1, page 73 (P+I)

10. SUBJECT OF AMENDMENT:

Graduate Medical Education (GME) Payments

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED: Exempt

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Susan N. Dreyfus

14. TITLE:

Secretary

15. DATE SUBMITTED:

6/17/09

16. RETURN TO:

Ann Myers

Department of Social and Health Services

Health and Recovery Services Administration

POB 5504

Olympia, WA 98504-5504

(MS: 45504)

17. DATE RECEIVED:

JUN 18 2009

FOR REGIONAL OFFICE USE ONLY

18. DATE APPROVED:

9-11-09

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL - 1 2009

PLAN APPROVED - ONE COPY ATTACHED

21. TYPED NAME:

William Lasowski

20. SIGNATURE OF REGIONAL OFFICIAL:

Bill Lasowski m sm

22. TITLE:

Deputy Director, CM50

23. REMARKS:

Pen + Ink changes authorized by the State on 6/22/09.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

**METHODS AND STANDARDS FOR ESTABLISHING
PAYMENT RATES FOR INPATIENT HOSPITAL SERVICES (cont.)**

A. INTRODUCTION (cont.)

Other payment methods used include fixed per diem, cost settlement, per case rate (for Department-approved bariatric surgery), disproportionate share hospital (DSH), and proportionate share hospital. All are prospective payment methods except the cost settlement payment method used to reimburse critical access hospitals. The DRG, "full cost," per diem, and RCC payment methods are augmented by trauma care payment methods at state-approved trauma centers. The trauma care enhancement provides reimbursement to Level I, II, and III trauma centers through lump-sum supplemental payments made quarterly.

A fixed per diem payment method is used in conjunction with the LTAC program. A cost settlement payment method is used to reimburse hospitals participating in the state's Title XIX Critical Access Hospital (CAH) program.

Effective for admissions on and after July 1, 2005, public hospitals located in the State of Washington that are not Department-approved and DOH-certified as CAH, are paid using the "full cost" payment method for inpatient covered services as determined through the Medicare Cost Report, using HRSA's Medicaid RCC rate to determine cost.

Each public hospital district, for its respective non-CAH public hospital district hospital(s), the Harborview Medical Center, and the University of Washington Medical Center, provide certified public expenditures which represent its costs of the patients' medically necessary care.

Hospitals and services exempt from the DRG payment methods are reimbursed under the per diem, per case rate, RCC, "full cost", cost settlement, or fixed per diem payment method. For dates of admission before August 1, 2007, under the DRG, RCC and "full cost" methods, a base community psychiatric hospitalization payment rate is also used to determine the allowable for certain psychiatric claims.